



William A. Bonnet
Vice President
Government & Community Affairs

May 28, 2008

The Honorable Chairman and Members of the
Hawaii Public Utilities Commission
465 South King Street
Kekuanaoa Building, First Floor
Honolulu, Hawaii 96813

PUBLIC UTILITIES
COMMISSION

2008 MAY 28 P 4:05

FILED

Dear Commissioners:

Subject: Docket No. 2006-0386 - HECO 2007 Test Year Rate Case
Tariff Sheets for Revised Interim Rate Increase

On May 21, 2008, Hawaiian Electric Company, Inc. ("HECO" or "Company") filed a Motion to Adjust Interim Increase for its 2007 test year ("TY") rate case (Docket No. 2006-0386). Should the Commission approve this motion, the Company proposes revisions to the 2007 TY interim rate increase percentages as shown on Exhibit 2 to implement the adjusted interim increase. Attached for filing are the following exhibits:

- | | |
|-----------|--|
| Exhibit 1 | Revised index sheet for rate schedules; |
| Exhibit 2 | Revised tariff sheet No. 50.4 reflecting Interim Rate Increase surcharges, implementing an interim revenue increase of \$77,793,000; |
| Exhibit 3 | Workpapers for Exhibit 2. |

If you have any questions, please call Dean Matsuura at 543-4622.

Sincerely,

Attachments

cc: Division of Consumer Advocacy
Dr. Khojasteh Davoodi
Randall Young, Esq.

Superseding Revised Sheet No. 50
Effective May 1, 2008

REVISED SHEET No. 50
Effective _____, 2008

RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
50.3	Interim Surcharge		All Schedules Except Schedule Q
50.4	Interim Rate Increase 2007		All Schedules Except Schedule Q
50.5	Test Year 2005 Refund		All Schedules Except Schedule Q
51	"R"		Residential Service
51A	"R"		Residential Service
52	"G"		General Service Non-Demand
53	"G"		General Service Non-Demand
54	"J"		General Service Demand
54A	"J"		General Service Demand
54B	"J"		General Service Demand
55	"H"		Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
56	"H"		Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
57	"PS"		Large Power Secondary Voltage Service
58	"PS"		Large Power Secondary Voltage Service
58A	"PS"		Large Power Secondary Voltage Service
58B	"PP"		Large Power Primary Voltage Service
58C	"PP"		Large Power Primary Voltage Service
58D	"PP"		Large Power Primary Voltage Service
58E	"PT"		Large Power Transmission Voltage Service
58F	"PT"		Large Power Transmission Voltage Service
58G	"PT"		Large Power Transmission Voltage Service

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated _____, 2008.

Superseding Sheet No. 50.4
Effective October 26, 2007

REVISED SHEET NO. 50.4
Effective _____, 2008

INTERIM RATE INCREASE 2007

Supplement To

Schedule R	- Residential Service
Schedule E	- Electric Service For Employees
Schedule G	- General Service Non-Demand
Schedule J	- General Service Demand
Schedule H	- Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
Schedule PS	- Large Power Secondary Voltage Service
Schedule PP	- Large Power Primary Voltage Service
Schedule PT	- Large Power Transmission Voltage Service
Schedule F	- Public Street Lighting, Highway Lighting, & Park & Playground Floodlighting
Schedule U	- Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "PS", "PP", "PT", "F" and "U" are applicable except that the total base rate charges for each billing period shall be increased by the following Interim Rate Increase approved by the Public Utilities Commission. The total base rate charges for the current billing period shall include all base rate schedule charges, and base rate adjustments, excluding the Energy Cost Adjustment, the IRP Cost Recovery Adjustment, Residential DSM Adjustment, Commercial and Industrial DSM Adjustment, SolarSaver Adjustment, and Interim Surcharge.

INTERIM RATE INCREASE 2007:

Schedule R/E.....	7.12 percent
Schedule G.....	7.05 percent
Schedule J.....	5.96 percent
Schedule H.....	7.24 percent
Schedule PS.....	7.47 percent
Schedule PP.....	7.61 percent
Schedule PP (Directly served from Substation).	1.84 percent
Schedule PT.....	6.56 percent
Schedule F.....	7.23 percent
Schedule U.....	5.96 percent

The above Interim Rate Increase 2007 is based on an interim increase of \$77,867,000 approved by the Public Utilities Commission in its Decision & Order No. _____ in Docket No. 2006-0386. The revenues collected through this Interim Rate Increase are subject refund with interest in accordance with the Public Utilities Commission's Decision & Order No. _____.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2006-0386, Motion To Adjust Interim Increase.
Transmittal Letter dated _____, 2008.

HAWAIIAN ELECTRIC COMPANY, INC.
DOCKET NO. 2006-0386, TEST-YEAR 2007

INTERIM RATE INCREASE
CALCULATION OF REVENUE TO BE RECOVERED
In \$000s

L1	Increase in Total Operating Revenue to be Recovered from Rate Classes	\$77,793.0
L2	Late Payment Charges in Increase in Other Operating Revenue	<u>\$74.0</u>
L3 = L1 + L2	Increase in Total Operating Revenue To be Recovered from Rate Classes	\$77,867.0

Source:

L1-L2 Docket No. 2006-0386, Motion to Adjust Interim Increase
Exhibit 1, Page 1.

Late Payment Charge in Increase = $\$77,867.0 \times 0.095\%^1 = \74.0

¹ Page 2 of Settlement Agreement

HAWAIIAN ELECTRIC COMPANY, INC.
DOCKET NO. 2006-0386, TEST-YEAR 2007

INTERIM RATE INCREASE
SUMMARY OF REVENUE INCREASE BY CLASS

Rate Class	A	B	C	D	E
	Interim Rate Increase Allocation		Schedule P Reassignment of Revenues	Interim Rate Increase	
	Allocation (%)	Revenue Increase (\$000s)	Base Revenue (\$000s)	Class Increase (%)	
Schedule R	35.71%	\$27,779.9		\$389,948.5	7.12%
Schedule G	6.65%	\$5,173.2		\$73,421.5	7.05%
Schedule J	25.37%	\$19,736.1		\$330,947.4	5.96%
Schedule H	0.61%	\$474.5		\$6,549.5	7.24%
Schedule PS	9.10%	\$7,079.2	\$2,213.5	\$124,380.0	7.47%
Schedule PP ^{1,2}	9.80%	\$7,623.7	\$2,972.6	\$139,245.9	7.61%
Schedule PP Direct Served Customer ^{1,2}	10.70%	\$8,323.9	(\$5,520.6)	\$152,063.5	1.84%
Schedule PT	1.47%	\$1,143.5	\$334.5	\$22,524.0	6.56%
Schedule F	0.59%	\$459.0		\$6,350.0	7.23%
Total	100.00%	\$77,793.0	\$0.0	\$1,245,430.3	6.25%

Source:

Column A, Column C, note 1 Stipulated Settlement Letter Dated September 5, 2007, Docket No. 2006-0386, HECO T-20, Attachment 1, Page 1

note 1: Schedule PP Allocation (20.50%) is split 52.20% to Directly Served Customers and 47.80% non-direct served customers. See note 2

note 2: Schedule PP Directly Served Customers base revenues constitute 52.20% of Direct Testimony Schedule PP Base Revenues. $(152,065.5 / 291,309.4 = 52.20\%)$

Column B: Column A x Exhibit 3, Page 1, Line 1.

Column D, note 2 Estimation of Test Year Revenue - Based on TY2005 Final Rates

Column E: $(\text{Column B} + \text{Column C}) \div \text{Column D}$